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GERMAN MEAT MARKET EXPERIENCES GREAT DEPRESSION.

Based upon a report submitted by
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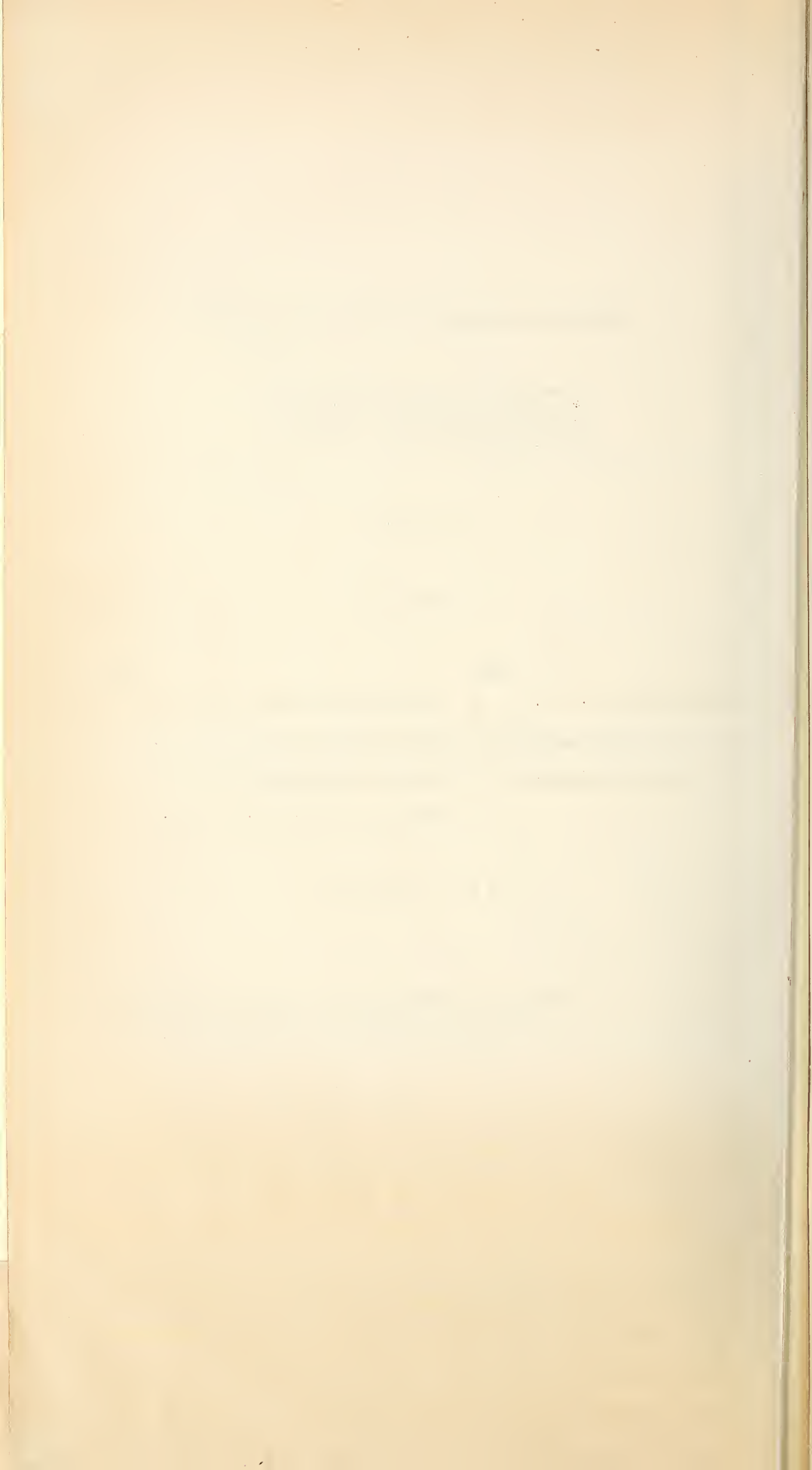
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GERMAN MEAT MARKET EXPERIENCES GREAT DEPRESSION.

Purchasing Power of Mark Curtails Demand -- Lard and Fat

Backs Now Especially Desired -- No Market for Frozen Beef.

Unless the German exchange is stabilized it is doubtful whether the demands for American meat products in that country can be continued, reports the Livestock and Meat Specialist of the United States Department of Agriculture, now in Europe. Normally, Germany is a good market for many different types of meat products, having a particular preference for the heavy fat American pork cuts. The demand at present has narrowed down to American lard and fat backs. The purchasing power of the great mass of the population is so low as to particularly affect the purchase of foreign goods of any description. The most important trading center for American meat products of all descriptions entering Germany is Hamburg. Rotterdam in Holland is also a great trading center for American products entering Germany, especially for the Rhine valley.

Livestock being Slaughtered.

The scarcity of fodder in Germany has resulted in very large slaughtering of both cattle and hogs, sufficient to appreciably decrease the number. The animals slaughtered are not well finished but are quite lean and short of fat. A shortage of all kinds of meat by February is expected as a result of the abnormally large killings. This possibility has lead many dealers to purchase large quantities of cheap home pork which has been frozen for storage until the actual shortage is at hand. Live pigs of good quality have recently been selling at from 16 to 17 marks per half kilo, live weight, which is equivalent to \$.073 to \$.077 cents per lb. in United States currency, according to rate of exchange prevailing on January 21, 1922 when the mark was worth .005007 cent.

Lard Shipments Accumulate in Hamburg.

During the past few months, Germany has imported such large quantities of lard that the consignments received by the large packers and their agents in Hamburg have accumulated. There is no demand from the interior, although all of the German distributing houses are unanimous in their opinion that the quantities held in the interior are very small. It does not appear that the accumulated stocks can be readily disposed of.

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Some packers who have large stocks in Hamburg are attempting to clear out some of this supply at reduced prices. Wholesale prices of lard in Hamburg recently ranged from 25 to 25 $\frac{1}{4}$ ¢ per kilo (11.3¢ to 11.5¢ per lb.) Practically all of the American lard imported into Germany is used there; the percentage shipped through to Austria, Czechoslovakia, and Poland being very small. The packing of lard for the German market is not confined to one or two methods, although shipments in barrels make up the greater part of the imports.

No Market For Frozen Beef.

The Germans have not been such large importers of beef as might be expected. One large German dealer estimates that there is not more than 2,000 tons per month of frozen beef sold through the Hamburg market. There is no demand at all for chilled carcasses, while the demand at the present time for frozen beef from South America, Australia, and other countries seems to be rapidly falling off. Representatives of one large American company state that during 1920, there were 13 shipments of frozen beef sold in Germany. So far this year they have sold only one shipload. Other companies seem to be having about the same experience. High grade frozen beef is now offered by large importers at from 9 to 10 marks (4.5¢ to 5.0¢) per lb., in equal proportions of fore and hind-quarters. Sufficient home-killed German beef can be bought for from 12 to 15 marks (6.0¢ to 7.5¢) per lb., although not of such good quality.

Frozen Pork Market Likewise Depressed.

During 1919 and 1920, Germany furnished a good market for American frozen pigs, especially of the heavier weights. There is normally a good demand in Germany for large numbers of American salt pork cuts, such as American clear bellies, dry salt hams, short clear middles, Wiltshires, etc. At the present time, however, trade with Germany in these products is practically impossible on account of the low prices prevailing. Frozen pigs bring only from 18 to 20 marks (9¢ to 10¢) per lb. notwithstanding this some of the American packers are trying to relieve their stocks of frozen American pigs now held in England by shipping them to the German market.

There is a Government ruling that imported pigs can only be imported in whole sides with the heads still on. Consequently, pigs shipped to England that are not split down the back must be split into sides before they are marketable in Germany. This ruling prohibits the importation of frozen pork cuts, such as pork loins, hams, etc. At the present time about the only cured pork cut moving is fat backs. These also come within the above ruling, although it is interesting to note that large quantities come in against Government regulations. Fat backs are packed for the German market the same as for other markets, i. e., in boxes to contain about 500 lbs. net. The wholesale price for fat backs from 10 to 12 lbs. in weight was recently about 20 $\frac{1}{2}$ ¢ per kilo (9.3¢ per lb.). The German Inspection Service inspects carcasses of hogs for trachina, but dealers scarcely seem to know there is such a ruling because the condemnation of American pork is so small as to amount to nothing commercially.

Certain types of offal have always found a good market in Germany and up to the present there was an especially good trade in American pork livers. These are imported either in tierces of about 350 lbs. net in a salt pickle, or frozen in boxes. Offal does not come within the ruling of pork cuts and can be freely imported. The Government has ruled, however, that frozen pork livers must be thawed out for inspection and then re-frozen, but this ruling does not seem to be very closely enforced. American frozen pork livers recently sold wholesale at from 15 to 17 marks per kilo (3.4¢ to 3.9¢ per lb.). Other offal such as beef hearts, beef tongues, kidneys, sheep hearts, etc. appear to be too high in price at the present moment to be imported in any noticeable quantity. Germany manufactured large quantities of synthetic casings during the war, but it is reported that this is no longer being done because prices now are higher than for natural casings.

Effect of Exchange on Purchasing Power.

Wages in Germany have not advanced anywhere proportionately to the decrease in the value of the mark. While wages have increased somewhat, the per diem wage for common labor, where it is highly unionized, is 100 marks (\$0.50) per day. The great mass of common labor is being paid around 75 marks (\$0.37 $\frac{1}{2}$) per day. A mail-carrier in Germany re-



ceives about 3,000 marks (\$15) per month, and the manager of the post office about 4,000 marks (\$20) per month. These wages particularly affect the purchase of foreign goods of any description. Goods manufactured in Germany are very cheap and to the casual observer conditions seem prosperous. There is very little of unemployment, although hours have been reduced quite universally to eight-hour days. People are well-dressed, restaurants are well-filled with Germans, as well as Americans, and other foreigners. In the very best restaurants, not serving foreigners especially, it is possible to get a very good noon-day luncheon for from 20 to 30 marks (10/6 to 15/6). Everyone returning from Germany remarks about this seeming prosperity, but the great fall in the exchange has nevertheless very seriously affected the purchasing power for foreign goods.
